

Message Text

LIMITED OFFICIAL USE

PAGE 01 TEHRAN 06951 081355Z

53

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01

CEA-01 COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01

FEA-01 INT-05 (ISO) W

----- 063583

R 091220Z JUL 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 8024

INFO AMEMBASSY BERN

USMISSION EC BRUSSELS

AMEMBASSY LONDON

USMISSION OECD PARIS

LIMITED OFFICIAL USE TEHRAN 6951

E.O. 11652: N/A

TAGS: EFIN IR

SUBJ: IRAN'S EXTERNAL BORROWINGS - SITREP

REF: TEHRAN 6035 AND PREVIOUS

1. REPS FROM CHASE MANHATTAN LONDON AND TEHRAN'S CHASE REP OFFICE MET JULY 7 WITH CENTRAL BANK OF IRAN (CBI) VICE GOVERNOR SHIRAZI AND MINISTRY OF ECONOMIC AFFAIRS AND FINANCE UNDERSECY ASHRAFI TO DISCUSS THE DRAFT LOAN AGREEMENT FOR IRAN'S INTENDED \$500 MILLION EURODOLLAR BORROWING FROM ELEVEN BANKS (REFTEL). ISSUES TO BE RECONCILED ARE CHARACTERIZED BY CHASE REP AS LIMITED TO THE "REPRESENTATION CLAUSES" IN THE LOAN, NOT THE RATES AND TERMS, DRAWDOWNS, ETC. PRINCIPAL GOI OBJECTIONS TO DRAFT ARE:

-. BANKS' REQUEST FOR PREPAYMENT REQUIREMENT IF THEY PERCEIVE POLITICAL/ECONOMIC RISK (THIS IS SAID TO BE A NEW FEATURE IN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEHRAN 06951 081355Z

EURODOLLAR LOANS TO GOVERNMENTS AND REPORTEDLY DENMARK RECENTLY

ACCEPTED THIS CLAUSE);

B. A REQUIREMENT FOR A GOI STATEMENT OF "GOOD STANDING" AND "NO DEFAULT" WITH THE IMF, WHICH WOULD ALSO NECESSITATE PERIODIC SUBMISSION OF DATA TO THE LENDING BANKS (SHIRAZI'S REJECTION OF THIS WAS EXPRESSED, "WE SHOULD BE REQUIRING A STATEMENT FROM THE IMF OF ITS GOOD STANDING: WE HAVE \$1.2 BILLION ON LOAN TO IT." AND

C. BANKS' REQUEST FOR A "NEGATIVE PLEDGE", I.E. THAT THE GOI WILL NOT SUBORDINATE ITS OBLIGATION TO THEM TO ANY OTHER OBLIGATION.

ADDITIONALLY, AND APPARENTLY OF NO PROBLEM TO THE BANKS, IS THE GOI'S DESIRE TO CHANGE THE "OPTIONAL CURRENCY" CLAUSE, WHICH WOULD PERMIT THE BORROWER TO DRAW THE LOAN IN ANY CURRENCY. GOI WANTS ONLY US DOLLARS.

2. LOCAL CHASE REP SAID IT NOW APPEARS THE \$500 MILLION LOAN CAN NOT BE CONCLUDED BEFORE THE END OF JULY. ASSUMING THAT THE PARTICIPATING BANKS AGREE TO CLAUSES IN THE AGREEMENT DESIRED BY THE GOI, THE AGREEMENT MUST THEN BE TRANSLATED AND PASSED BY THE GOI CABINET. WHEN ASKED CONCERNING THE STATUS OF OTHER PENDING BORROWINGS (REFTEL), CHASE REP QUOTED SHIRAZI AS SAYING THAT THERE WILL BE NO FOREIGN BORROWING UNTIL THE \$500 MILLION ONE IS CONCLUDED.
HELMS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EURODOLLAR, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TEHRAN06951
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760264-0027
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760772/aaaackzo.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 TEHRAN 6035
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by greeneet>; APPROVED <13 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IRAN'S EXTERNAL BORROWINGS - SITREP
TAGS: EFIN, IR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006